## **REMARKS**

The Office Action mailed November 14, 2006 has been carefully considered. Reconsideration in view of the following remarks is respectfully requested.

## Rejection(s) Under 35 U.S.C. § 102

Claims 1-40 continue to be rejected under 35 U.S.C. § 102(b) as allegedly being anticipated by Bell (U.S. Patent No. 6,701,443).

The independent claims have been amended to remove reference to the second negotiator, which Applicants believe is not necessary to patentably distinguish the claimed invention over the prior art. As previously explained, in Bell, a test signal is sent from a controller of a power source to a powerability indicator of a powerable component. A power apparatus (26) includes a controller (30), signal generator (32) and detector (34). These components of the power apparatus operate to discover a powerability condition of the network, in order to determine if a powered device exists, such that power can safely be transmitted thereto over the network. Such a function cannot be equated with <u>negotiation</u> as claimed in the present application and described in the supporting disclosure. Whereas in Bell only a determination of the presence or absence of a powered device is made, in the presently claimed invention power allocation issues are resolved through negotiations that are more than simple determinations of the presence or absence of a device, as in Bell. Negotiations imply consideration of the requirements of the different devices to for example arrive at a hierarchical solution, reallocation of power from one port or powered device to another, immediate shut-off of power to all low priority components, or implementation of incremental power savings. These and other solutions are discussed in for example paragraphs [0017] and [0018] of the specification.

In addition, the independent claims as amended now state that the resolution reached by the negotiator is based on information stored in the network power system and "identifying power draw requirements of a powered device and/or power supply characteristics of a power source equipment." (Claim 10). Such a feature is not disclosed or suggested by Bell.

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It will be appreciated that, according to the M.P.E.P., a claim is anticipated under 35 U.S.C. § 102 only if each and every claim element is found, either expressly or inherently described, in a single prior art reference. The absence of communications and negotiations between multiple negotiators associated with the different devices from Bell clearly indicate the contrary, and withdrawal of the 35 U.S.C. § 102 rejection based on Bell is respectfully urged.

## Conclusion

In view of the preceding discussion, Applicants respectfully urge that the claims of the present application define patentable subject matter and should be passed to allowance.

If the Examiner believes that a telephone call would help advance prosecution of the present invention, the Examiner is kindly invited to call the undersigned attorney at the number below.

Please charge any additional required fees, including those necessary to obtain extensions of time to render timely the filing of the instant Amendment and/or Reply to Office Action, or credit any overpayment not otherwise credited, to our deposit account no. 50-1698.

Respectfully submitted,
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Dated: 02/14/2007

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<sup>&</sup>lt;sup>1</sup> Manual of Patent Examining Procedure (MPEP) § 2131. See also *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987).